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(Original Signature of Member)

108TH CONGRESS
1ST SESSION

H. R. _____

To establish the Northeast Regional Development Commission, and for other
purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. MICHAUD (for himself, Mr. ALLEN, Mr. BASS, Mr. SANDERS, and Mr.
McHUGH) introduced the following bill; which was referred to the Com-
mittee on _____

A BILL

To establish the Northeast Regional Development
Commission, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; FINDINGS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Northeast Regional Development Commission Act of
6 2004”.

7 (b) FINDINGS.—Congress finds the following:

1 (1) The northeastern border region of the Na-
2 tion, while abundant in natural resources and rich in
3 potential, lags behind much of the Nation in its eco-
4 nomic growth, and its people have not shared prop-
5 erly in the Nation's prosperity.

6 (2) The region's historic reliance on a few basic
7 industries and agriculture has failed to provide an
8 adequate economic base for vigorous, self-sustaining
9 growth.

10 (3) Manufacturing sector losses and out migra-
11 tion in the region have contributed greatly to the re-
12 gion's difficulties in entrepreneurial development and
13 sustainability.

14 (4) State and local governments and the people
15 of the region have made progress in addressing the
16 region's economic problems and will continue to
17 work purposefully toward their solution.

18 (5) Economic development of the region is fea-
19 sible, desirable, and urgently needed.

20 (6) Providing Federal assistance to the region
21 is necessary to address the region's special economic
22 problems and promote its economic development on
23 a coordinated and concerted regional basis.

24 (7) In directing Federal assistance to the re-
25 gion, the traditional industries of the region should

1 be preserved, including the manufacturing, tourism,
2 forestry, natural resources, agriculture, alternative
3 transportation, snowmobiling, and recreation indus-
4 tries. In addition, it is desirable to support growing
5 industries such as the creative economy.

6 (8) In directing Federal assistance to the re-
7 gion, the historic character, recreational value, eco-
8 logical integrity, and productive capacity of the his-
9 toric forestlands are valuable resources that should
10 be preserved to maximize prosperity in the region.

11 **SEC. 2. DEFINITIONS.**

12 In this Act, the following definitions apply:

13 (1) COMMISSION.—The term “Commission”
14 means the Northeast Regional Development Com-
15 mission established by section 3.

16 (2) FEDERAL GRANT PROGRAM.—The term
17 “Federal grant program” means a Federal grant
18 program to provide assistance in carrying out eco-
19 nomic and community development activities.

20 (3) NON-PROFIT ENTITY.—The term “non-prof-
21 it entity” means any entity with tax-exempt or non-
22 profit status, as defined by the Internal Revenue
23 Service.

1 (4) REGION.—The term “region” means the
2 area covered by the Commission (as described in sec-
3 tion 15).

4 **SEC. 3. NORTHEAST REGIONAL DEVELOPMENT COMMIS-**
5 **SION.**

6 (a) ESTABLISHMENT.—

7 (1) IN GENERAL.—There is established the
8 Northeast Regional Development Commission.

9 (2) COMPOSITION.—The Commission shall be
10 composed of—

11 (A) a Federal member, to be appointed by
12 the President, with the advice and consent of
13 the Senate; and

14 (B) the Governor of each State in the re-
15 gion that elects to participate in the Commis-
16 sion.

17 (3) COCHAIRPERSONS.—The Commission shall
18 be headed by—

19 (A) the Federal member, who shall serve—

20 (i) as the Federal cochairperson; and

21 (ii) as a liaison between the Federal
22 Government and the Commission; and

23 (B) a State cochairperson, who—

24 (i) shall be a Governor of a partici-
25 pating State in the region; and

1 (ii) shall be elected by the State mem-
2 bers for a term of not less than 1 year.

3 (b) ALTERNATE MEMBERS.—

4 (1) STATE ALTERNATES.—

5 (A) APPOINTMENT.—The State member of
6 a participating State may have a single alter-
7 nate, who shall be appointed by the Governor of
8 the State from among the Governor's cabinet or
9 personal staff.

10 (B) VOTING.—An alternate shall vote in
11 the event of the absence, death, disability, re-
12 moval, or resignation of the member for whom
13 the individual is an alternate.

14 (2) ALTERNATE FEDERAL COCHAIRPERSON.—

15 The President shall appoint an alternate Federal co-
16 chairperson.

17 (3) QUORUM.—

18 (A) IN GENERAL.—Subject to the require-
19 ments of this paragraph, the Commission shall
20 determine what constitutes a quorum of the
21 Commission.

22 (B) FEDERAL COCHAIRPERSON.—The
23 Federal cochairperson or the Federal cochair-
24 person's designee must be present for the estab-
25 lishment of a quorum of the Commission.

1 (C) STATE ALTERNATES.—A State alter-
2 nate shall not be counted toward the establish-
3 ment of a quorum of the Commission.

4 (4) DELEGATION OF POWER.—No power or re-
5 sponsibility of the Commission specified in para-
6 graphs (3) and (4) of subsection (c), and no voting
7 right of any Commission member, shall be delegated
8 to any person—

9 (A) who is not a Commission member; or

10 (B) who is not entitled to vote in Commis-
11 sion meetings.

12 (c) DECISIONS.—

13 (1) REQUIREMENTS FOR APPROVAL.—Except
14 as provided in subsection (g), decisions by the Com-
15 mission shall require the affirmative vote of the Fed-
16 eral cochairperson and of a majority of the State
17 members, exclusive of members representing States
18 delinquent under subsection (g)(2)(C).

19 (2) CONSULTATION.—In matters coming before
20 the Commission, the Federal cochairperson, to the
21 extent practicable, shall consult with the Federal de-
22 partments and agencies having an interest in the
23 subject matter.

1 (3) DECISIONS REQUIRING QUORUM OF STATE
2 MEMBERS.—The following decisions may not be
3 made without a quorum of State members:

4 (A) A decision involving Commission pol-
5 icy.

6 (B) Approval of State, regional, or sub-
7 regional development plans or strategy state-
8 ments.

9 (C) Modification or revision of the Com-
10 mission's code.

11 (D) Allocation of amounts among the
12 States.

13 (4) PROJECT AND GRANT PROPOSALS.—The ap-
14 proval of project and grant proposals is a responsi-
15 bility of the Commission and shall be carried out in
16 accordance with section 9.

17 (d) DUTIES.—The Commission shall—

18 (1) develop, on a continuing basis, comprehen-
19 sive and coordinated plans and programs to establish
20 priorities and approve grants for the economic devel-
21 opment of the region, giving due consideration to
22 other Federal, State, and local planning and devel-
23 opment activities in the region;

24 (2) not later than 365 days after the date of
25 enactment of this Act, establish priorities in a devel-

1 opment plan for the region (including 5-year re-
2 gional outcome targets);

3 (3) assess the needs and capital assets of the
4 region based on available research, demonstration
5 projects, assessments, and evaluations of the region
6 prepared by Federal, State, or local agencies, local
7 development districts, and any other relevant source;

8 (4)(A) enhance the capacity of, and provide
9 support for, local development districts in the region;
10 or

11 (B) if no local development district exists in an
12 area in a participating State in the region, foster the
13 creation of a local development district;

14 (5) allow the participation of representatives of
15 local development districts, and other appropriate or-
16 ganizations as approved by the Commission, in all
17 proceedings of the Commission conducted under sub-
18 section (e)(1), either in-person or through interactive
19 telecommunications; and

20 (6) encourage private investment in industrial,
21 commercial, and other economic development
22 projects in the region.

23 (7) not later than 365 days after the date of
24 enactment of this Act, initiate a special resource
25 study for the north woods of Maine, which study—

1 (A) shall be carried out in cooperation with
2 appropriate local, State, and Federal officials;
3 and

4 (B) shall examine land use, ownership, and
5 development trends and propose options for fu-
6 ture management, ownership, conservation, and
7 development of land to maximize job creation
8 and ecological value.

9 (e) ADMINISTRATION.—In carrying out subsection
10 (d), the Commission may—

11 (1) hold such hearings, sit and act at such
12 times and places, take such testimony, receive such
13 evidence, and print or otherwise reproduce and dis-
14 tribute a description of the proceedings and reports
15 on actions by the Commission as the Commission
16 considers appropriate;

17 (2) authorize, through the Federal or State co-
18 chairperson or any other member of the Commission
19 designated by the Commission, the administration of
20 oaths if the Commission determines that testimony
21 should be taken or evidence received under oath;

22 (3) request from any Federal, State, or local
23 department or agency such information as may be
24 available to or procurable by the department or

1 agency that may be of use to the Commission in car-
2 rying out duties of the Commission;

3 (4) adopt, amend, and repeal bylaws and rules
4 governing the conduct of Commission business and
5 the performance of Commission duties;

6 (5) request the head of any Federal department
7 or agency to detail to the Commission such per-
8 sonnel as the Commission requires to carry out du-
9 ties of the Commission, each such detail to be with-
10 out loss of seniority, pay, or other employee status;

11 (6) request the head of any State department
12 or agency or local government to detail to the Com-
13 mission such personnel as the Commission requires
14 to carry out duties of the Commission, each such de-
15 tail to be without loss of seniority, pay, or other em-
16 ployee status;

17 (7) provide for coverage of Commission employ-
18 ees in a suitable retirement and employee benefit
19 system by—

20 (A) making arrangements or entering into
21 contracts with any participating State govern-
22 ment; or

23 (B) otherwise providing retirement and
24 other employee benefit coverage;

1 (8) accept, use, and dispose of gifts or dona-
2 tions of services or real, personal, tangible, or intan-
3 gible property;

4 (9) enter into and perform such contracts or
5 other transactions as are necessary to carry out
6 Commission duties;

7 (10) establish and maintain a central office lo-
8 cated within the Northeast Regional Development
9 Commission region and field offices at such locations
10 as the Commission may select; and

11 (11) provide for an appropriate level of rep-
12 resentation in Washington, D.C.

13 (f) FEDERAL AGENCY COOPERATION.—A Federal
14 agency shall—

15 (1) cooperate with the Commission; and

16 (2) provide, on request of the Federal cochair-
17 person, appropriate assistance in carrying out this
18 Act, in accordance with applicable Federal laws (in-
19 cluding regulations).

20 (g) ADMINISTRATIVE EXPENSES.—

21 (1) IN GENERAL.—Administrative expenses of
22 the Commission (except for the expenses of the Fed-
23 eral cochairperson, including expenses of the alter-
24 nate and staff of the Federal cochairperson, which

1 shall be paid solely by the Federal Government)

2 shall be paid—

3 (A) by the Federal Government, in an
4 amount equal to 50 percent of the administra-
5 tive expenses; and

6 (B) by the States in the region partici-
7 pating in the Commission, in an amount equal
8 to 50 percent of the administrative expenses.

9 (2) STATE SHARE.—

10 (A) IN GENERAL.—The share of adminis-
11 trative expenses of the Commission to be paid
12 by each State shall be determined by the Com-
13 mission.

14 (B) NO FEDERAL PARTICIPATION.—The
15 Federal cochairperson shall not participate or
16 vote in any decision under subparagraph (A).

17 (C) DELINQUENT STATES.—If a State is
18 delinquent in payment of the State's share of
19 administrative expenses of the Commission
20 under this subsection—

21 (i) no assistance under this Act shall
22 be furnished to the State (including assist-
23 ance to a political subdivision or a resident
24 of the State); and

1 (ii) no member of the Commission
2 from the State shall participate or vote in
3 any action by the Commission.

4 (h) COMPENSATION.—

5 (1) FEDERAL COCHAIRPERSON.—The Federal
6 cochairperson shall be compensated by the Federal
7 Government at level III of the Executive Schedule in
8 subchapter II of chapter 53 of title V, United States
9 Code.

10 (2) ALTERNATE FEDERAL COCHAIRPERSON.—
11 The alternate Federal cochairperson—

12 (A) shall be compensated by the Federal
13 Government at level V of the Executive Sched-
14 ule described in paragraph (1); and

15 (B) when not actively serving as an alter-
16 nate for the Federal cochairperson, shall per-
17 form such functions and duties as are delegated
18 by the Federal cochairperson.

19 (3) STATE MEMBERS AND ALTERNATES.—

20 (A) IN GENERAL.—A State shall com-
21 pensate each member and alternate rep-
22 resenting the State on the Commission at the
23 rate established by law of the State.

24 (B) NO ADDITIONAL COMPENSATION.—No
25 State member or alternate member shall receive

1 any salary, or any contribution to or sup-
2 plementation of salary from any source other
3 than the State for services provided by the
4 member or alternate to the Commission.

5 (4) DETAILED EMPLOYEES.—

6 (A) IN GENERAL.—No person detailed to
7 serve the Commission under subsection (e)(6)
8 shall receive any salary or any contribution to
9 or supplementation of salary for services pro-
10 vided to the Commission from—

11 (i) any source other than the State,
12 local, or intergovernmental department or
13 agency from which the person was detailed;
14 or

15 (ii) the Commission.

16 (B) VIOLATION.—Any person that violates
17 this paragraph shall be fined not more than
18 \$5,000, imprisoned not more than 1 year, or
19 both.

20 (C) APPLICABLE LAW.—The Federal co-
21 chairperson, the alternate Federal cochair-
22 person, and any Federal officer or employee de-
23 tailed to duty on the Commission under sub-
24 section (e)(5) shall not be subject to subpara-
25 graph (A), but shall remain subject to sections

1 202 through 209 of title 18, United States
2 Code.

3 (5) ADDITIONAL PERSONNEL.—

4 (A) COMPENSATION.—

5 (i) IN GENERAL.—The Commission
6 may appoint and fix the compensation of
7 an executive director and such other per-
8 sonnel as are necessary to enable the Com-
9 mission to carry out the duties of the Com-
10 mission.

11 (ii) EXCEPTION.—Compensation
12 under clause (i) shall not exceed the max-
13 imum rate for the Senior Executive Service
14 under section 5382 of title 5, United
15 States Code, including any applicable local-
16 ity-based comparability payment that may
17 be authorized under section 5304(h)(2)(C)
18 of that title.

19 (B) EXECUTIVE DIRECTOR.—The executive
20 director shall be responsible for—

21 (i) the carrying out of the administra-
22 tive duties of the Commission;

23 (ii) direction of the Commission staff;
24 and

1 (iii) such other duties as the Commis-
2 sion may assign.

3 (C) NO FEDERAL EMPLOYEE STATUS.—No
4 member, alternate, officer, or employee of the
5 Commission (except the Federal cochairperson
6 of the Commission, the alternate and staff for
7 the Federal cochairperson, and any Federal em-
8 ployee detailed to the Commission under sub-
9 section (e)(5)) shall be considered to be a Fed-
10 eral employee for any purpose.

11 (i) CONFLICTS OF INTEREST.—

12 (1) IN GENERAL.—Except as provided under
13 paragraph (2), no State member, alternate, officer,
14 or employee of the Commission shall participate per-
15 sonally and substantially as a member, alternate, of-
16 ficer, or employee of the Commission, through deci-
17 sion, approval, disapproval, recommendation, the
18 rendering of advice, investigation, or otherwise, in
19 any proceeding, application, request for a ruling or
20 other determination, contract, claim, controversy, or
21 other matter in which, to knowledge of the member,
22 alternate, officer, or employee any of the following
23 persons has a financial interest:

24 (A) The member, alternate, officer, or em-
25 ployee.

1 (B) The spouse, minor child, partner, or
2 organization (other than a State or political
3 subdivision of the State) of the member, alter-
4 nate, officer, or employee, in which the member,
5 alternate, officer, or employee is serving as offi-
6 cer, director, trustee, partner, or employee.

7 (C) Any person or organization with whom
8 the member, alternate, officer, or employee is
9 negotiating or has any arrangement concerning
10 prospective employment.

11 (2) DISCLOSURE.—Paragraph (1) shall not
12 apply if the State member, alternate, officer, or
13 employee—

14 (A) immediately advises the Commission of
15 the nature and circumstances of the proceeding,
16 application, request for a ruling or other deter-
17 mination, contract, claim, controversy, or other
18 particular matter presenting a potential conflict
19 of interest;

20 (B) makes full disclosure of the financial
21 interest; and

22 (C) before the proceeding concerning the
23 matter presenting the conflict of interest, re-
24 ceives a written determination by the Commis-
25 sion that the interest is not so substantial as to

1 be likely to affect the integrity of the services
2 that the Commission may expect from the State
3 member, alternate, officer, or employee.

4 (3) VIOLATION.—Any person that violates this
5 subsection shall be fined not more than \$10,000, im-
6 prisoned not more than 2 years, or both.

7 (j) VALIDITY OF CONTRACTS, LOANS, AND
8 GRANTS.—The Commission may declare void any con-
9 tract, loan, or grant of or by the Commission in relation
10 to which the Commission determines that there has been
11 a violation of any provision under subsection (h)(4), sub-
12 section (i), or sections 202 through 209 of title 18, United
13 States Code.

14 **SEC. 4. ECONOMIC AND COMMUNITY DEVELOPMENT**
15 **GRANTS.**

16 (a) IN GENERAL.—The Commission may approve
17 grants to States, local development districts (as defined
18 in section 6(a)), and public and nonprofit entities for
19 projects, approved in accordance with section 9—

20 (1) to develop the infrastructure of the region
21 for the purpose of facilitating economic development
22 in the region (except that grants for this purpose
23 may only be made to a State or local government);

1 (2) to assist the region in obtaining job train-
2 ing, employment-related education, and business de-
3 velopment;

4 (3) to assist the region in community and eco-
5 nomic development;

6 (4) to provide assistance to severely distressed
7 and underdeveloped areas; and

8 (5) to otherwise achieve the purposes of this
9 Act.

10 (b) FUNDING.—

11 (1) IN GENERAL.—Funds for grants under sub-
12 section (a) may be provided—

13 (A) entirely from appropriations to carry
14 out this section;

15 (B) in combination with funds available
16 under another State or Federal grant program;
17 or

18 (C) from any other source.

19 (2) ELIGIBLE PROJECTS.—The Commission
20 may provide assistance, make grants, enter into con-
21 tracts, and otherwise provide funds to eligible enti-
22 ties in the region for projects that promote—

23 (A) business development;

24 (B) job training or employment-related
25 education;

1 (C) local planning and leadership develop-
2 ment;

3 (D) basic public infrastructure, including
4 high-tech infrastructure and productive natural
5 resource conservation;

6 (E) information and technical assistance
7 for the modernization and diversification of the
8 forest products industry to support value-added
9 forest products enterprises;

10 (F) forest-related cultural, nature-based,
11 and heritage tourism; and

12 (G) any other project facilitating economic
13 development in the region.

14 (3) FEDERAL SHARE.—Notwithstanding any
15 provision of law limiting the Federal share in any
16 grant program, funds appropriated to carry out this
17 section may be used to increase a Federal share in
18 a grant program, as the Commission determines ap-
19 propriate.

20 **SEC. 5. SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.**

21 (a) FEDERAL GRANT PROGRAM FUNDING.—In ac-
22 cordance with subsection (b), the Federal cochairperson
23 may use amounts made available to carry out this Act,
24 without regard to any limitations on areas eligible for as-
25 sistance or authorizations for appropriation under any

1 other Act, to fund all or any portion of the basic Federal
2 contribution to a project or activity under a Federal grant
3 program in the region in an amount that is above the fixed
4 maximum portion of the cost of the project otherwise au-
5 thorized by applicable law, but not to exceed 80 percent
6 of the costs of the project.

7 (b) CERTIFICATION.—

8 (1) IN GENERAL.—In the case of any program
9 or project for which all or any portion of the basic
10 Federal contribution to the project under a Federal
11 grant program is proposed to be made under this
12 section, no Federal contribution shall be made until
13 the Federal official administering the Federal law
14 authorizing the contribution certifies that the pro-
15 gram or project—

16 (A) meets the applicable requirements of
17 the applicable Federal grant law; and

18 (B) could be approved for Federal con-
19 tribution under the law if funds were available
20 under the law for the program or project.

21 (2) CERTIFICATION BY COMMISSION.—

22 (A) IN GENERAL.—The certifications and
23 determinations required to be made by the
24 Commission for approval of projects under this
25 Act in accordance with section 9—

1 (i) shall be controlling; and

2 (ii) shall be accepted by the Federal
3 agencies.

4 (B) ACCEPTANCE BY FEDERAL COCHAIR-
5 PERSON.—Any finding, report, certification, or
6 documentation required to be submitted to the
7 head of the department, agency, or instrumen-
8 tality of the Federal Government responsible for
9 the administration of any Federal grant pro-
10 gram shall be accepted by the Federal cochair-
11 person with respect to a supplemental grant for
12 any project under the program.

13 **SEC. 6. LOCAL DEVELOPMENT DISTRICTS; CERTIFICATION**
14 **AND ADMINISTRATIVE EXPENSES.**

15 (a) DEFINITION OF LOCAL DEVELOPMENT DIS-
16 TRICT.—In this section, the term “local development dis-
17 trict” means an entity designated by the State that—

18 (1) is—

19 (A)(i) a planning district in existence on
20 the date of enactment of this Act that is recog-
21 nized by the Economic Development Adminis-
22 tration of the Department of Commerce; or

23 (ii) a development district recognized by
24 the State; or

1 (B) if an entity described in subparagraph
2 (A)(i) or (A)(ii) does not exist, an entity des-
3 ignated by the Commission that satisfies the
4 criteria developed by the Economic Develop-
5 ment Administration for a local development
6 district; and

7 (2) has not, as certified by the Federal
8 cochairperson—

9 (A) inappropriately used Federal grant
10 funds from any Federal source; or

11 (B) appointed an officer who, during the
12 period in which another entity inappropriately
13 used Federal grant funds from any Federal
14 source, was an officer of the other entity.

15 (b) GRANTS TO LOCAL DEVELOPMENT DISTRICTS.—

16 (1) IN GENERAL.—The Commission may make
17 grants for administrative expenses under this sec-
18 tion.

19 (2) CONDITIONS FOR GRANTS.—

20 (A) MAXIMUM AMOUNT.—The amount of
21 any grant awarded under paragraph (1) shall
22 not exceed 80 percent of the administrative ex-
23 penses of the local development district receiv-
24 ing the grant.

1 (B) LOCAL SHARE.—The contributions of
2 a local development district for administrative
3 expenses may be in cash or in kind, fairly evalu-
4 ated, including space, equipment, and services.

5 (c) DUTIES OF LOCAL DEVELOPMENT DISTRICTS.—
6 A local development district shall—

7 (1) operate as a lead organization serving
8 multicounty areas in the region at the local level;
9 and

10 (2) serve as a liaison between State and local
11 governments, nonprofit organizations (including
12 community-based groups and educational institu-
13 tions), the business community, and citizens that—

14 (A) are involved in multijurisdictional plan-
15 ning;

16 (B) provide technical assistance to local ju-
17 risdictions and potential grantees; and

18 (C) provide leadership and civic develop-
19 ment assistance.

20 **SEC. 7. DEVELOPMENT PLANNING PROCESS.**

21 (a) STATE DEVELOPMENT PLAN.—In accordance
22 with policies established by the Commission, each State
23 member shall submit a development plan for the area of
24 the region represented by the State member.

1 (b) CONTENT OF PLAN.—A State development plan
2 submitted under subsection (a) shall reflect the goals, ob-
3 jectives, and priorities identified in the regional develop-
4 ment plan developed under section 3(d)(2).

5 (c) CONSULTATION.—In carrying out the develop-
6 ment planning process, a State shall—

7 (1) consult with—

8 (A) local development districts;

9 (B) local units of government; and

10 (C) institutions of higher learning; and

11 (2) take into consideration the goals, objectives,
12 priorities, and recommendations of the entities de-
13 scribed in paragraph (1).

14 (d) PUBLIC PARTICIPATION.—The Commission and
15 applicable State and local development districts shall en-
16 courage and assist, to the maximum extent practicable,
17 public participation in the development, revision, and im-
18 plementation of all plans and programs under this Act.

19 **SEC. 8. PROGRAM DEVELOPMENT CRITERIA.**

20 (a) IN GENERAL.—In considering programs and
21 projects to be provided assistance under this Act, and in
22 establishing a priority ranking of the requests for assist-
23 ance provided by the Commission, the Commission shall
24 follow procedures that ensure, to the maximum extent
25 practicable, consideration of—

1 (1) the relationship of the project to overall re-
2 gional development;

3 (2) the per capita income and poverty and un-
4 employment rates and other socioeconomic indicators
5 in an area;

6 (3) the financial resources available to the ap-
7 plicants for assistance seeking to carry out the
8 project, with emphasis on ensuring that projects are
9 adequately financed to maximize the probability of
10 successful economic development;

11 (4) the importance of the project in relation to
12 other projects that may be in competition for the
13 same funds;

14 (5) the prospects that the project for which as-
15 sistance is sought will improve, on a continuing rath-
16 er than a temporary basis, the opportunities for em-
17 ployment, the average level of income, or the eco-
18 nomic development of the area served by the project;
19 and

20 (6) the extent to which the project design pro-
21 vides for detailed outcome measurements by which
22 grant expenditures and the results of the expendi-
23 tures may be evaluated.

1 (b) NO RELOCATION ASSISTANCE.—No financial as-
2 sistance authorized by this Act shall be used to assist an
3 establishment in relocating from 1 area to another.

4 (c) REDUCTION OF FUNDS.—Funds may be provided
5 for a program or project in a State under this Act only
6 if the Commission determines that the level of Federal or
7 State financial assistance provided under a law other than
8 this Act, for the same type of program or project in the
9 same area of the State within the region, will not be re-
10 duced as a result of funds made available by this Act.

11 **SEC. 9. APPROVAL OF DEVELOPMENT PLANS AND**
12 **PROJECTS.**

13 (a) IN GENERAL.—A State or regional development
14 plan or any multistate subregional plan that is proposed
15 for development under this Act shall be reviewed by the
16 Commission.

17 (b) EVALUATION BY STATE MEMBER.—An applica-
18 tion for a grant or any other assistance for a project under
19 this Act shall be made through and evaluated for approval
20 by the State member of the Commission representing the
21 applicant.

22 (c) CERTIFICATION.—An application for a grant or
23 other assistance for a project shall be approved only on
24 certification by the State member and Federal cochair-
25 person that the application for the project—

1 (1) describes ways in which the project complies
2 with any applicable State development plan;

3 (2) meets applicable criteria under section 8;

4 (3) provides adequate assurance that the pro-
5 posed project will be properly administered, oper-
6 ated, and maintained; and

7 (4) otherwise meets the requirements of this
8 Act.

9 (d) VOTES FOR DECISIONS.—Upon certification of an
10 application for a grant or other assistance for a specific
11 project under this section, an affirmative vote of the Com-
12 mission under section 3(c) shall be required for approval
13 of the application.

14 **SEC. 10. CONSENT OF STATES.**

15 Nothing in this Act requires any State to engage in
16 or accept any program under this Act without the consent
17 of the State.

18 **SEC. 11. RECORDS.**

19 (a) RECORDS OF THE COMMISSION.—

20 (1) IN GENERAL.—The Commission shall main-
21 tain accurate and complete records of all trans-
22 actions and activities of the Commission.

23 (2) AVAILABILITY.—All records of the Commis-
24 sion shall be available for audit and examination by
25 the Comptroller General of the United States (in-

1 including authorized representatives of the Comp-
2 troller General).

3 (b) RECORDS OF RECIPIENTS OF FEDERAL ASSIST-
4 ANCE.—

5 (1) IN GENERAL.—A recipient of Federal funds
6 under this Act shall, as required by the Commission,
7 maintain accurate and complete records of trans-
8 actions and activities financed with Federal funds
9 and report on the transactions and activities to the
10 Commission.

11 (2) AVAILABILITY.—All records required under
12 paragraph (1) shall be available for audit by the
13 Comptroller General of the United States, and the
14 Commission (including authorized representatives of
15 the Comptroller General, and the Commission).

16 **SEC. 12. ANNUAL REPORT.**

17 Not later than 180 days after the end of each fiscal
18 year, the Commission shall submit to the President and
19 to Congress a report describing the activities carried out
20 under this Act.

21 **SEC. 13. AUTHORIZATION OF APPROPRIATIONS.**

22 (a) IN GENERAL.—There is authorized to be appro-
23 priated to the Commission to carry out this Act
24 \$40,000,000 for each of fiscal years 2005 through 2009,
25 to remain available until expended.

1 (b) ADMINISTRATIVE EXPENSES.—Not more than 5
2 percent of the amount appropriated under subsection (a)
3 for a fiscal year shall be used for administrative expenses
4 of the Commission.

5 **SEC. 14. TERMINATION OF COMMISSION.**

6 This Act shall have no force or effect on or after Oc-
7 tober 1, 2009.

8 **SEC. 15. AREA COVERED BY NORTHEAST REGIONAL DEVEL-**
9 **OPMENT COMMISSION.**

10 (a) IN GENERAL.—The Northeast Regional Develop-
11 ment Commission region means the area consisting of the
12 following: [To Be Supplied (to include all appropriate eco-
13 nomically distressed areas and counties in the region)].

14 (b) LIMITATION.—A county or other political subdivi-
15 sion that is eligible for assistance from the Appalachian
16 Regional Commission shall not be eligible for assistance
17 from the Northeast Regional Development Commission.